



November 5, 2003

Highlights of the Conference Report to Accompany H.R. 2559, the FY 2004 Military Construction Appropriations Act

The Conference Report, H. Rept. 108-342, was filed on November 4, 2003.

Noteworthy

- The Conference Report includes \$9.32 billion for military construction, family housing, and the base closure account for FY 2004. This amount is \$199 million more than the President's request and \$120 million more than the Senate-passed FY 2004 bill, S. 1357.
- The military construction appropriation bill provides funding for the planning, design, construction, alteration, and improvement of military facilities worldwide, including military family housing. The bill provides funding to implement base closure and realignments (largely environmental cleanup) required by P.L. 101-510, the Department of Defense Authorization Act of 1991.
- The Conference Report includes \$5.2 billion for military construction (56 percent of the total bill), and \$3.8 billion for family housing (40 percent of the total bill).
- The Conference Report includes a provision establishing a congressionally-appointed commission to study the structure of U.S. overseas military facilities and report its conclusions and recommendations to Congress and the President by December 31, 2004.
- The House was scheduled to consider the Conference Report to accompany H.R. 2559 on November 5.

Highlights

Conference Report

The Conference Report includes \$9.32 billion for military construction, family housing, and the base closure account for FY 2004. This amount is \$199 million more than the President's request and \$120 million more than the Senate-passed bill. It is \$1.38 billion less than the FY 2003 enacted amount. Major funding categories in the Conference Report are listed below.

Military Construction and Family Housing

Italicized figures in parentheses indicate funding levels in the Senate-passed bill.

Military Construction – Active. Army. \$1.45 billion (*\$1.26 billion*); Navy. \$1.24 billion (*\$1.20 billion*); Air Force. \$1.07 billion (*\$1.06 billion*); Defense-Wide. \$773 million (*\$713 million*).

Military Construction – Reserve/Guard. Army National Guard. \$312 million (*\$304 million*); Air National Guard. \$223 million (*\$221 million*); Army Reserve. \$88 million (*\$74 million*); Naval Reserve. \$45 million (*\$35 million*); Air Force Reserve. \$62 million (*\$57 million*).

Rescissions – Military Construction and NATO. Army. \$184 million (*\$184 million*); Navy. \$46 million (*\$39 million*); Air Force. \$23 million (*\$0*); Defense-Wide. \$72 million (*\$33 million*); NATO Security Investment Program. \$8 million.

Family Housing Construction. Army. \$384 million (*\$409 million*); Air Force. \$657.07 million (*\$657.03 million*).

Family Housing Operation and Maintenance. Army \$1.03 billion (*\$1.04 billion*); Navy and Marine Corps. \$835 million (*\$853 million*); Air Force \$816 million (*\$834 million*).

Rescissions – Family Housing Construction. Army. \$94 million (*\$52 million*); Navy. \$41 million (*\$4 million*); Air Force. \$19 million (*\$29 million*).

Base Realignment and Closure Account. The bill provides \$370.4 million for deposit into the “Department of Defense Base Closure Account 1990” established by P.L. 101-510, the Department of Defense Authorization Act of 1991. The amount is 4 percent of the total bill, the same as the President's request and the Senate-passed bill, and \$190.7 million less than the FY 2003 appropriations. Of the amount provided for in the Account, \$323 million is for environmental cleanup of military facilities and \$47 million is provided for operations and maintenance, permanent change of station, other costs, and offsetting reductions.

Reports

Overseas Master Plans. The conferees direct the Department of Defense to prepare comprehensive master plans for overseas military infrastructure and to submit the plans with the FY 2006 through FY 2009 budget submissions.

Perchlorate. The conferees direct the Department of Defense to submit a report identifying the sources of perchlorate on Base Realignment and Closure (BRAC) properties and the plans to remediate contamination on these sites no later than April 30, 2004.

Family Housing and Operations and Maintenance Reductions. The conferees direct the General Accounting Office to conduct a study to be submitted to Congress by April 15, 2004, on the assumptions and methods utilized by each service component to develop their respective estimates. The conferees are concerned that the assumptions and methods are currently not adequately explained by the service components.
